

## Message Text

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ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-02

INR-10 L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15

USIA-15 ACDA-12 IO-14 EB-08 NRC-07 OES-07 SOE-02

DOE-11 CEQ-01 OMB-01 TRSE-00 AID-05 /154 W

-----063975 281841Z /43

R 281145Z FEB 78

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 6238

INFO AMEMBASSY BONN

AMEMBASSY THE HAGUE

AMEMBASSY BUENOS AIRES

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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E.O. 11652: N/A

TAGS: ENRG, BR

SUBJECT: NUCLEAR ISSUE: BRAZILIAN PRESS REPORTING

1. SUMMARY. OVER THE PERIOD OF FEBRUARY 12 - 22 A NUMBER OF DEVELOPMENTS IN THE NUCLEAR FIELD RECEIVED TREATMENT IN THE BRAZILIAN PRESS, INCLUDING: THE DELAY IN THE CONSTRUCTION SCHEDULE OF ANGRA II AND III, THE LOCATION OF THE NEXT TWO 1,300 MEGAWATT POWER REACTORS, NEW CRITICISMS OF THE NUCLEAR PROGRAM BY BRAZILIAN PHYSICISTS, AND COMMENTS ON THE IMPLICATIONS OF THE DUTCH-URENCO DECISION. END SUMMARY.

2. IN STATEMENTS TO THE PRESS BY LICINIO SEABRA (NEW PRESIDENT OF FURNAS, THE RIO PUBLIC ENERGY CORPORATION) PUBLISHED ON FEBRUARY 15TH AND MINISTER OF MINES AND ENERGY UEKI, PUBLISHED ON FEBRUARY 18TH, SEVERAL DEVELOPMENTS IN THE BRAZILIAN NUCLEAR PROGRAM WERE DISCUSSED, INCLUDING: THE DELAY IN THE CONSTRUCTION SCHEDULE OF ANGRA II AND III, THE USE OF NUCLEAR VERSUS HYDRO-ELECTRIC POWER, UNCLASSIFIED

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AND THE PRIORITY OF NUCLEAR POWER IN THE FURNAS BUDGET. ACCORDING TO A FEBRUARY 15TH ARTICLE IN THE GAZETA MERCANTIL, SEABRA SLIGHTLY MODIFIED A REPORTED STATEMENT BY PAULO NOGUEIRA BATISTA ON FEBRUARY 10TH THAT CONSTRUCTION ON ANGRA II AND ANGRA III WILL BE DELAYED BY ONE YEAR. ACCORDING TO SEABRA THE DELAY WILL BE SIX MONTHS FOR ANGRA II AND EIGHT MONTHS FOR

ANGRA III. HE JUSTIFIED THE DELAY BY SAYING "THE CONSTRUCTION OF A NUCLEAR PLANT IN SIX YEARS IS NOT AN SBNORMAL TIME PERIOD. IT APPEARS TO ME THAT IN 1972, WHEN THE PROJECTS WERE INITIATED, THEY GAVE A SLIGHTLY OPTIMISTIC START-UP TIME FOR THE BEGINNING OF PLANT OPERATIONS."

3. SEABRA DENIED RUMORS THAT THE DELAY IN CONSTRUCTION AT THE PLANT SITE WAS DUE TO THE PRESENCE OF GEOLOGIC FAULTS, AND ATTRIBUTED THE DELAY TO THE GREATER COMPLEXITIES INHERENT IN THE CONSTRUCTION OF PLANTS TWICE AS POWERFUL AS THE FIRST 600 MW REACTOR ATTEMPTED BY BRAZIL. THREE DAYS LATER, IN STATEMENTS REPORTED BY THE GAZETA MERCANTIL, MINISTER OF MINES AND ENERGY UEKI GAVE FURTHER INFORMATION ON THE CAUSES OF THE CONSTRUCTION DELAYS. HE CONFIRMED THAT "GEOLOGIC SURPRISES" CONTRIBUTED TO THE DELAYS BUT ADDED THAT THE SURPRISES WERE NOT GEOLOGIC FAULTS BUT A GEOLOGIC LAYER OF LOOSE STONES THAT COMPLICATES THE LAYING OF A FOUNDATION. HE STATED THAT "THESE STONES GIVE, ON FIRST SIGHT, THE IMPRESSION THAT THEY ARE SOLID ROCK, BUT THEY MUST BE PENETRATED, CAUSING AN INCREASE IN THE NUMBER OF STEPS ( FOR CONSTRUCTION ). HE ADDED THAT THE SITE FOR ANGRA III LOOKS SOMEWHAT BETTER THAN THE ANGRA II SITE.

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4. SEABRA, IN HIS FEBRUARY 15TH STATEMENT, WENT ON TO SAY THAT THE DELAY OF THE CONSTRUCTION SCHEDULE WILL NOT AFFECT THE ENERGY BALANCE OF THE SOUTHEAST BECAUSE OF THE RELATIVE INSIGNIFICANCE OF NUCLEAR POWER COMPARED TO HIDRO-ELECTRIC RESOURCES. THIS STATEMENT INADVERTENTLY GAVE CREDENCE TO CRITICISMS OF THE BRAZILIAN NUCLEAR POWER PROGRAM BY SOME PHYSICISTS AND ECONOMISTS AND PROVOKED A CLARIFICATION BY UEKI. UEKI AGREED THAT A DELAY "IN THIS INITIAL PHASE OF CONSUTRUCION DOES

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R 281145Z FEB 78  
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TO SECSTATE WASHDC 6239  
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AMCONSUL SAO PAULO

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NOT IMPLY A LARGE ECONOMIC LOSS." HE ALSO ADMITTED THE  
RELATIVE INSIGNIFICANCE OF NUCLEAR POWER IN THE SOUTH-  
EAST REGION BUT ADDED THAT THIS FACT DOES NOT MEAN A  
"CHANGE IN THE TONE OF BRAZILIAN NUCLEAR POLICY." "THE  
CHARACTERISTICS OF A NUCLEAR PLANT ARE DIFFERENT FROM  
A HYDRO-ELECTRIC PLANT, BECAUSE WHILE (HYDRO-ELECTRIC  
POWER) IS DEPENDENT ON THE WATER FLOW, WHICH IS NOT  
CONSTANT OVER THE YEAR, (NUCLEAR POWER) IS A BASIC  
PLANT, PRODUCING A CONSTANT FLOW OF ENERGY."

5. THE FINAL TOPIC OF THE SEABRA STATEMENT WAS THE  
STATE OF THE FURNAS BUDGET IN 1978. SEABRA SAID THAT  
HE WILL GIVE "PRIORITY TO THE NUCLEAR PROGRAM" BUT  
ADDED THAT FURNAS WILL HAVE "TO MAKE A VERY CAREFUL  
RE-EVALUATION OF OTHER INVESTMENT PROJECTS OF THE  
COMPANY THIS YEAR. (THE COMPANY) WILL HAVE CERTAIN  
DEFFICULTY WITH RESOURCES IN 1978 AND (IT) WILL HAVE  
TO ADAPT TO THIS SITUATION." HE ADDED THAT "THERE  
IS NOT, HOWEVER, A FIXED LIMIT FOR THE COMPANY'S  
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BUDGET THIS YEAR. WE ARE WAITING. BUT I CAN  
GUARANTEE THAT THE RESOURCES WILL BE SUFFICIENT  
TO PERMIT PRIORITY PROJECTS TO GO FORWARD."

6. THE FEBRUARY 16TH O GLOBO, REPORTED THAT THE NEXT  
TWO NUCLEAR POWER PLANTS ARE LIKELY TO BE LOCATED NEAR  
VITORIA, IN THE STATE OF ESPIRIYO SANTO. THE PLANNED  
REACTIONS ARE REPORTED TO BE 1,300 MEGAWATTS. ACCORDING  
TO THE ARTICLE, WHICH DID NOT SITE SOURCES, THE VITORIA  
SITE WAS CHOSEN DESPITE COMPETITION FROM THE NORTHEAST,  
MINAS GERAIS, SAO PAULO, AND RIO DE JANEIRO. THE  
ARTICLE WENT ON TO STATE THAT THE VITORIA SITE, IF IT

IS CHOSEN, WOULD LEAVE SAO PAULO WITH THE THIRD NUCLEAR CENTER (CONSISTING OF TWO REACTORS) WHICH IS NOT PLANNED TO OPERATE BEFORE 1988/1990. TO MEET THIS SCHEDULE, CONSTRUCTION ON THE SAO PAULO SITE WOULD HAVE TO BEGIN BETWEEN 1982/83.

7. A BRAZILIAN PHYSICIST, LUIZ PINGUELLI ROSA, FROM THE FEDERAL UNIVERSITY OF RIO DE JANEIRO, CRITICIZED THE BRAZILIAN NUCLEAR PROGRAM AS "UNNECESSARY" AND ATTRIBUTED THE OPPOSITION TO NUCLEAR POWER IN THE U.S. AND EUROPE TO THE ENVIRONMENTAL MOVEMENT.

ACCORDING TO THE FEBRUARY 15TH ISSUE OF GAZETA MERCANTIL, PINGUELLI ROSA MADE HIS REMARKS DURING A SEMINAR ON "THE PRESS AND ENERGY POLICY" IN SAO PAULO. ACCORDING TO THE ARTICLE, PINGUELLI STATED THAT THE USE OF NUCLEAR ENERGY WILL NOT BE NECESSARY IN BRAZIL FOR AT LEAST 30 YEARS. PINGUELLI'S MAIN CONCERNS ARE THE SAME AS THE OPPOSITION IN EUROPE AND THE UNITED STATES, THE SAFETY OF NUCLEAR POWER REACTORS AND THEIR EFFECT ON THE ENVIRONMENT. ACCORDING TO PINGUELLI THESE CONCERNS REDUCED THE RATE OF NEW PLANTS IN THE U.S.

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AND EUROPE BUT AS YET DO NOT EXIST IN BRAZIL.

8. THE FEBRUARY 22ND JORNAL DO BRASIL CARRIED A STORY HEADLINED "GERMAN AMBASSADOR REAFFIRMS THAT THE ACCORD WILL BE COMPLETED". IN THE FACE OF UNCERTAINTIES IN THE SUPPLY OF URENCO FUEL FOR THE ANGRA II AND III REACTORS, THE GERMAN AMBASSADOR TO BRAZIL, JORG KASTL, GAVE FURTHER ASSURANCES THAT THE BRAZILIAN/GERMAN NUCLEAR ACCORD WILL BE CARRIED OUT AND DISCUSSED THE FORTHCOMING TRIP TO GERMANY

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BY PRESIDENT GEISEL. HE STATED THAT "IT IS EVIDENT THAT THE GERMAN/BRAZILIAN NUCLEAR ACCORD WILL BE ONE OF THE TOPICS THAT WILL BE INCLUDED IN THE JOINT COMMUNIQUE TO BE SIGNED BY PRESIDENT WALTER SCHEEL AND ERNESTO GEISEL." HE ADDED, HOWEVER, THAT "THE TWO GOVERNMENTS ARE NOT GOING TO FORMALIZE AN AGREEMENT ALREADY FORMALIZED AND WORKING VERY WELL. HE FELT THAT GEISEL'S TRIP TO GERMANY WILL CONCENTRATE ON OTHER NEW FORMS OF BILATERAL COOPERATION.

9. A REPORT IN THE FEBRUARY 16TH ESTADO DE SAO PAULO STATED THAT NUCLEBRAS (THE PUBLIC SECTOR NUCLEAR CORPORATION) WILL SOON BEGIN CONSTRUCTION ON THE NUCLEAR ENRICHMENT PLANT IN RESENDE, A MUNICIPAL DISTRICT NEAR THE BORDER OF RIO DE JANEIRO AND SAO PAULO. ACCORDING TO THE ARTICLE, CONSTRUCTION IS DUE TO BE CONCLUDED IN TIME FOR OPERATIONS TO BEGIN IN 1983. RESENDE WAS REPORTEDLY CHOSEN AS THE LOCATION OF THE PLANT BECAUSE OF EASY UNCLASSIFIED

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ACCESS TO RIO DE JANEIRO AND SAO PAULO BY THE DUTRA AND CENTRAL DO BRASIL HIGHWAYS, THE AVAILABILITY OF WATER AND POWER FROM THE FUNIL HYDROELECTRIC PROJECT, AND THE OIL QUALITY ALLOWS EASY CONSTRUCTION. THE PLANT HAS APPARENTLY AROUSED A CERTAIN AMOUNT OF LOCAL OPPOSITION. THE ARTICLE REPORTED THE INHABITANTS ON RESENDE WERE CONCERNED OVER POSSIBLE ENVIRONMENTAL EFFECTS.

10. FINALLY, THE FEB. 15 AND FEB. 21 ISSUES OF THE ESTADO DE SAO PAULO CARRIED ARTICLES BY GERMAN CORRESPONDENT WILLIAM WAACK ON THE GERMAN REACTION TO DEMANDS BY THE DUTCH PARLIAMENT THAT FURTHER CONDITIONS BE ATTACHED TO THE URENCO SALE OF URANIUM TO BRAZIL. THE FIRST ARTICLE STRESSED THE COMMENTS OF UNNAMED GERMAN OFFICIALS SHOWING GERMAN IRRITATION OVER THE

NEW CONDITIONS USING QUOTES SUCH AS "WE ARE NOT GOING TO LET OURSELVES BE BLACKMAILED" AND WE ARE FED UP". THE ARTICLE ALSO MENTIONED THE POSSIBILITY THAT GERMANY WOULD ACT UNILATERAL TO ASSURE FUEL SUPPLIES TO THE GERAMAN REACTORS. " IN BONN, (SOURCES) REITERATED THAT THE NUCLEAR FUEL ARRANGEMENTS WILL NOT BE ALTERED. BUT IF IT CANNOT REACH AN AGREEMENT (WITH HOLLAND), GERMANY WOULD BE DISPOSED TO CONTINUE ALONE IN THE CONSTRUCTION OF AN URANIUM ENRICHMENT PLANT IN ITS OWN TERRITORY, AND MAKE ITS START-UP DATE, MORE OR LESS, COINCIDE WITH THE DATE OF THE FIRST SUPPLIES FOR BRAZIL." THE SECOND WAACK ARTICLE GAVE THE FOLLOWING QUOTE FROM AN UNNAMED GERMAN GOVERNMENT SPOKESMAN. "WE ASSUMED AN OBLIGATION TO BRAZIL AND WE WILL HAVE TO RESPECT IT. BECAUSE OF THIS WE CANNOT ACCEPT THE NEW DUTCH DEMANDS." ACCORDING TO THE ARTICLE, THE GERMAN POSITION WAS UNCLASSIFIED

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ESTABLISHED BY THE INTER-AGENCY COMMISSION FOR THE PEACEFUL USE OF ATOMIC ENERGY ON FEB. 16. THE ARTICLE WENT ON TO MENTION THAT THE U.K. HAS NOT PRESENTED ANY OBJECTION TO THE SALE OF ENRICHED URANIUM TO BRAZIL AND THE ISSUE WOULD BE A QUESTION BETWEEN GERMANY AND HOLLAND. JOHNSON

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## Message Attributes

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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014